

**THE COMMON COUNCIL OF THE CIVIL CITY OF NEW ALBANY,  
INDIANA, WILL HOLD A WORK SESSION IN THE THIRD FLOOR  
ASSEMBLY ROOM OF THE CITY/COUNTY BUILDING ON THURSDAY, June  
2, 2008 AT 6:00 P.M.**

**MEMBERS PRESENT:** Council Members Mr. Coffey, Mr. Price, Mr. McLaughlin, Mrs. Benedetti, Mr. Messer, Mr. Zurschmiede and President Jeff Gahan.

**Mr. Gahan** called the meeting to order at 6:05 p.m. to discuss the sewer utility and a transportation plan.

**Mayor England** thanked everyone for having this work session. He stated that during the election year what he heard from everyone was that they wanted the streets repaired, but they have a plan for 5 years of sewer work that needs to be done and the board is here this evening to discuss that. He also discussed some of the street conditions such as the roads in the industrial parks. He stated that the projects that the sewer board are going to discuss have to be done by law but the streets that get paved are up to him and the council to decide to do what is morally right for the citizens of New Albany. He stated that people have asked why they can't get grants to do this work. He stated that they have gotten some grant money for river front projects, but these are critical projects that they need to do. He stated that the City Attorney has informed him that they have paid for 35 tires and car repairs due to the condition of the streets. He stated that in his mind that is small, because what if that driver had lost control of their car and hit a child or flipped. He stated that he could not live with that and he doesn't think that they could either. He stated that he can not get these repairs done without their support and he hopes that they will have these ordinances on their agenda for the next meeting in June.

**John Skomp**, Crowe Chizek, presented a report that details the financial standing of the sewer utility and spells out the five year plan for the utility. Said report is on file with the City Clerks office. The report shows how the sewer utility can become self supporting by 2010 and quit using EDIT and TIF monies for the sewers.

**Mr. Gahan** asked for clarification on the three projects and if they totaled \$29M

**Mr. Skomp** stated that the sewer portion of that is about a \$9M bond issue and then there is one other project for \$10M.

**Mr. Gahan** asked for someone to inform the board which projects are EPA mandated.

**Mr. Buchanan** explained the projects were listed in the report.

**Mr. Carroll** asked if they kept the EDIT funds in the Sewer Board what the increase would be.

**Mr. Skomp** stated that he doesn't know the dollar amount but he would estimate that it would come down by a third.

**Mr. Gahan** asked if he could go over again which were mandated by EPA.

**Mr. Buchanan** went over exhibit A on the bond issue and explained which projects would be mandated.

**Mrs. Benedetti** asked if TIF money could also pay for the sewers.

**Mr. Buchanan** stated that it is his understanding that if there was a problem created by the laying of the sewer lines that the sewer would take care of repairing the street.

**Mr. Coffey** stated that was originally what was in the ordinance but somewhere along the line they decided that they wouldn't take care of it. He stated that this is the third time that he has heard about sewer rate increases and bond issues and his question is that they are told every time that this step will take care of things for X number of years but then they are back right where they started from. He explained that one of the reasons that they put the EDIT fund in was to try and keep the rate increase down at the time and it would be nice to have that money back but they don't have to have it back. He asked if there was any study done regarding using some of the TIF money for the sewers.

**Mr. Skomp** stated that for the TIF money they would first have to see if they met the specific criteria. He explained that the only research that they did was looking into getting the sewer utility self supporting but if they would like them to look into the scenario of using TIF money then they would be happy to do so.

**Mr. Coffey** stated that would be extremely helpful because they do need to get the streets fixed and such but they do not want to do so in a way that is going to increase taxes that the citizens simply cannot afford. He believes that if they can use TIF money on certain projects in those areas then that will save on the tax or rate increase and this is something he would like for them to take a look at.

**Mr. Price** asked what the total amount that they were borrowing was.

**Mr. Skomp** stated that the total amount would be approximately \$9M dollars and show the council where that figure was in his report.

**Mr. Price** stated that with the interest the total would be over \$14M

**Mr. Skomp** explained that some of the money thus far is coming from EDIT and pointed out in his report where this total is laid out.

**There was a lengthy discussion regarding EDIT funds and how they affected the sewer rates as well as what other monies are pledged towards the sewers.**

**Mr. Price** has questions about page 27 and the language regarding a property tax levy.

**Mr. Buddy Downs** informed him that the administration brought before the council the option of having a property tax back-up or not having one and it is basically to protect the ability of the City in the future to issue bonds on a parody with their outstanding bonds because you have to have 125% coverage. He stated that with the property tax back up they don't have to issue it on parody because the bonds will be marketable.

**Mr. Zurschmiede** asked what fees would be paid for this bond work.

**Mr. Skomp** informed him that the answer is on page 23.

**Mr. Price** asked why there is \$1.5 M added for Land Purchase for Future Plant Site.

**Mr. Buchanan** explained that the plant as it is right now is getting near capacity and there is going to have to be some plans for future additions to handle additional flow and the reasoning was that they are better off purchasing this now for less money and less hassle. He stated that they have to realize that the sewer system in New Albany is only half publically owned and the other half is the private sewer laterals and much of the rain that is coming into the system is coming from there. He stated that many cities are changing their ordinances to say we will come in and inspect the laterals of the private sector and if there are problems they have a certain period of time to fix it or they are cut off from the sewer system.

**Mr. Coffey** stated that before he would feel comfortable dedicating \$1.5M he would want to compare to see the difference between the findings of the two engineers.

**Mr. Zurschmiede** stated that when he left the sewer board the plant in question was thought to last for another 20-25 years but it will eventually reach capacity and the question of when it will is entirely up to the growth of the City. He stated that this doesn't seem to be anything that needs to be done immediately but it is something that they want to keep on the horizon.

**Mr. Gahan** asked about item C on page 44 and asked if they could give an example of when this situation would happen.

**Mr. Downs** stated that it is just a covenant that bonds and the interest you pay won't be tax exempt because it is the lowest rate. He stated that there are a number of ways that an entity can make the bonds taxable.

**Mr. Malysz** stated that they are getting close to the end of the meeting and he has other people that he would like to speak.

**Mr. Jorge Lanz** addressed the board regarding the report for the street paving requirements in the city. Said reports are on file with the city clerk's office.

**Jennifer Wilson** from Crowe Chizek presented a Summary of Financing Scenarios for Proposed Economic Development Income Tax Revenue Bonds of 2008 which is on file with the City Clerks office.

**Carl Malysz** presented a plan for the entire major Thoroughfare plan with an attached map which is on file with the City Clerk's office. He stated that there are two forms of revenue that can be used on these plans one is Federal funding matching money and the other is TIF. He stated that regarding the discussion of using TIF for the sewer projects he will look into the necessary sewer projects and whether or not the fall within or are connected to the TIF districts.

**Mr. Gahan** stated that he would like to have another work session.

**Mr. Coffey** stated that he wanted to clarify his early statement regarding TIF money. He explained that he thinks it should be used in conjunction with the sewers and the streets and they might need to redefine some of the projects on the wish list.

**ADJOURN:**

**There being no further business to be heard, the meeting adjourned at 7:10 p.m.**

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Jeff Gahan, President  
Common Council, City of New Albany

ATTEST: \_\_\_\_\_  
Marcey Wisman, City Clerk